

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-92-W/S - ORDER NO. 2006-283
MAY 16, 2006

IN RE: Application of Carolina Water Service, Inc.) ORDER
 (CWS) for Adjustment of Rates and Charges)
 for the Provision of Water and Sewer Service)

 This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of the Office of Regulatory Staff (ORS) for approval of payment by Carolina Water Service, Inc. (CWS or the Company) for compensation and expenses for ORS to employ an expert witness in Docket No. 2006-92-WS. Expenses are not to exceed \$17,500 for fees and \$830 for travel.

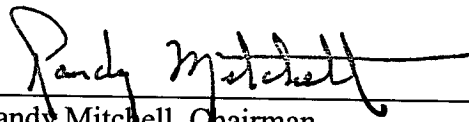
 S.C. Code Ann. Section 58-4-100 (Supp. 2005) authorizes the executive director of ORS to employ expert witnesses as considered necessary to assist the regulatory staff in its participation in commission proceedings. The compensation paid to these persons may not exceed compensation generally paid by the regulated industry for such specialists. Under this statute, compensation and expenses must be paid by the public utility participating in the proceedings upon agreement between the public utility and the Office or Regulatory Staff or upon approval by the Review Committee or from the regulatory staff's budget. Further, the statute states that if the compensation is paid by the public utility, the compensation and expenses must be treated by the commission, for

ratemaking purposes, in a manner generally consistent with its treatment of similar expenditures incurred by utilities in the presentation of their cases before the commission.

In this case, there is an agreement between ORS and CWS for the payment of these funds. Accordingly, we approve payment not to exceed \$17,500 for fees and \$830 for travel for the expert witness, amounts which we believe do not exceed compensation generally paid by the regulated industry for such specialists. CWS may propose inclusion of the actual amounts paid in its rate case expenses submitted to this commission in the Company's rate case in Docket No. 2006-92-WS.

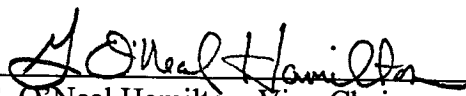
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice-Chairman

(SEAL)